NOTIFICATION.

No LAW 27 LCR 63, dated Bangalore, the 29th January 1963.

Ordered that the accompanying Notification No S O. 3947 dated the 26th December 1962, of the Ministry of Finance (Department of Economic Affairs), declaring that the provisions of the Emergency Risks (Factories) Insurance Act, 1962 and of the Scheme made thereunder shall apply to the insuring against emergency risks with effect from the first day of January 1963, which has been published in the *Gazette of India* Extraordinary, Part II, Section 3, sub-section (ii) dated the 28th December 1962, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

T VENKATANARANAPPA,
Under Secretary to Government, I/c.
248 *Law Department.*

S O 3947 —In exercise of the powers conferred by section 17 of the Emergency Risks (Factories) Insurance Act, 1962 (No. 63 of 1962), the Central Government hereby declares that the provisions of the said Act and of the scheme made thereunder shall apply to the insuring against emergency risk with effect from the first day of January, 1963, of —

(a) the plant and machinery, whether above or below ground, appertaining to mines as defined in the Mines Act, 1952 (35 of 1952), buildings appertaining to mines and within a radius of two miles from the mine excavation and in relation to such plant, machinery buildings and materials above ground as would if the mine were a factory, be included in the term property insurable under the said Act ,

(b) derricks, drills and rigs and group gathering ions and storage tank of oil mines, plant and machinery red for pumping, refining or processing any mineral oil, ipe lines

(c) the whole of the distribution systems of gas supply undertakings,

(d) the whole of the distribution and transmission systems, sub stations, switch houses and transformer houses of electric supply undertakings,

(e) the whole of the sluice houses, valve houses, water-pipe lines, penstocks and any other plant and machinery pertaining to the intake of hydraulic power of hydro-electric supply undertakings,

(f) standing tea crops in any garden belonging to the owner of any factory, in the same manner as they apply to property insurable under the said Act which appertains to a factory.

2. (1) For the purposes of the application of the Emergency Risks (Factories) Insurance Scheme, in relation to the property insurable under item (f) of paragraph 1, the insurable value of the said property shall be ascertained in the following manner, namely

(a) the average annual sale proceeds of cured and processed tea sold from a garden during the three accounting years immediately preceding the date on which the growing tea crop in that garden first becomes insurable under the scheme shall be ascertained and from the said average annual sale proceeds deductions shall be made firstly, on account of profit on sales, at an amount equivalent to five per cent of the ascertained average annual sale proceeds, and secondly on account of the average annual expenditure attributable to curing, processing, transport handling and sales, at an amount equivalent to the average annual recurring expenditure of the garden during the said three years as ascertained from the income and expenditure account, or, if no such account is maintaine from the profit and loss account (after excl ing from such average annual recurring expe ture any expenditure on account of fertil

labour, establishment or any other expenditure connected with or arising out of agricultural operations)

(*b*) the balance of the sale proceeds as arrived at in accordance with the provisions of clause (a) shall be treated as the annual value of the standing tea crop in the garden and the said annual value shall be insurable under the scheme

(*c*) the annual value of the standing tea crop in a garden as arrived at in accordance with the provisions of clause (b) shall be deemed, without any reference to the stage or degree of growth of the crop at any time, but subject to the provisions of clause (d), to be the insurable value thereof at all periods from the date of commencement of agricultural operations in the garden in any season to the date on which the plucking of tea in that garden is completed in that season, the dates aforesaid being certified in every season for the purposes of this scheme by the person who is liable to insure the crop

(*d*) the owner of any tea garden shall, when he first becomes liable to insure the standing crop in that garden and at the commencement of any quarter during which any insurance policy issued under this scheme is in force thereafter, ascertain as nearly as may be in accordance with the principles set out in clauses (a) and (b), the value of the crop, which having been plucked is liable to or can be insured under the Emergency Risks (Goods) Insurance Scheme, and thereupon, the insurable value of the growing tea crop in that garden shall be reduced accordingly

(2) If any doubt arises whether the insurable value of standing tea crop in any garden has been correctly puted in accordance with the principles set out in sub-graph (1), the matter shall be referred to the Chairman, Board, whose decision thereon shall be final.

3 In the application of the Emergency Risks (Factories) Insurance Scheme to the undertakings mentioned in paragraph 1, including the property mentioned at item (f) thereof, the Government agent may make such verbal or consequential modifications, not derogating from the substance thereof, in the relevant documents as may be necessary or expedient for the purpose of adapting those forms or documents to the requirement of the said undertakings.

[No F 112 (10)-INS/I/62]

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